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Alain L Bashore
Examiner
Art Unit 3624
USPTO

FAX: 703-872-9326

RE: RESPONSE FOR ACTION LETTER MAILED 28 JULY 2004
FOR APPLICATION 09/923311

Dear Sir,

In response to the above action letter, our response is as attached and consist of the following

	Pages
Official Response	16
Appendix 1 - Recital of the previously and currently amended claims	11
Total	27
Total pages of this facsimile including this cover page is	28

Thank you

Yours truly,



Khai Hee KWAN

Dated 24 Oct 2004

I hereby certified that I fax this document on the 24 Oct 2004

Application number: 09/923,311**Art Unit:** 3624**Applicant:** Khai Hee Kwan**Examiner:** Alain L Bashore.**Title:** A computer network method for conducting payment over a network by debiting and crediting utilities accounts

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO: Commissioner for Patents
Virginia 22313-1450

Sir:

In reply to Office Action mailed on July 28, 2004, we respectfully ask the examiner to consider our response below.

We respectfully traverse the examiner's assertion that claims 1-16 are obvious under 103(a) in view of Morrill, Jr (US 5991749 filed 9 Sept 1997) and in view of Mousseau et al (US Application 2002/0120696 A1 filed 6 April 2001) and that claim 17 is obvious in view of the above and further Resnick (US 6,185,545 B1 filed 17 Nov 1999)

Our main rebuttal is that none of the prior arts suggest the application of utilities accounts for payment transfer and Morrill never suggested using his mobile phone connected via the Internet to the Telco for initiating a payment. Even if WAP is available in the mobile phone, its first link is to the Telco to enable it to reach the Internet. The question is why would Morrill suggest reaching the Internet as per our claim when its mobile service provider's link is already linked to the mobile phone device ? In our claimed invention, our payment initialization is via the Internet and NOT via a wireless network such as mobile phone network because our utilities accounts are not mobile phones accounts and hence without the advantage of the direct link to mobile provider system. For example a network of pipes delivering gas by itself could not be connected to a mobile device.

Our claimed invention uses utility accounts as the means for payment over the net and optionally the mobile device to confirm the payment and to receive receipt. Even if utilities accounts could inherent be found in mobile phone account (we submit that this is not and nothing has been stated by the examiner to reveal this), Morrill's invention still

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would not obvious for initiating a payment transaction over the internet and/or using a mobile device to confirm and verifying said transaction between two utilities accounts. The claim must be viewed as a whole. *Gen. Foods Corp. v. Studinggesellschaft Kohl mbH*, 972 F.2d 1272, 1274, 23 USPQ2d 1839, 1840 (Fed. Cir. 1992) ("each claim is an entity that must be considered as a whole"). Morrill's invention is for the use of a mobile device for initiating payment instructions to a mobile service provider between mobile accounts holders over a telecommunication network. The most persuasive evidence could be found at Col 6 lines 39 to 45 where Morrill describes linking computers and herein restated "The computers must be connected to a phone line or must be equipped with an RF antenna and receiver, so that they can receive information from the mobile phone service provider's CPU either by land line connection or wireless transmission." Also see Col 7 lines 33-34. It is clear this does not refer to the Internet as the first point to reach a service provider's server. We have optionally claimed using 2 networks such as the Internet (first network) to initiate the fund transfer and the mobile device for confirmation (second network).

What is the motivation to modify Morrill's invention (a mobile electronic wallet), in particular the mobile device to merely verifying/confirming a transaction received from an utility server when Morrill taught of using said device for initiating payment instructions to a mobile service provider? This would be a limitation instead of an advantage. Is there any specific advantage or defects in using mobile phone accounts such that one skilled in the art must necessarily use utilities accounts? The examiner provided no reasons for the above and therefore must necessarily assume the elements in Morrill are inherent in our claimed invention hence avoided examining the Graham Factors for obviousness determination based on the indifference.

Dependent Claims includes all of the limitations of the independent claim 1. Neither of these references includes any suggestion to combine its features with the features of the

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other reference. According, applicant respectfully submits that the claims as previously presented and currently amended are also patentable over Morrill, in view of Mousseau and Resnick. We have amended our claims because we found that we have previously been too narrow in our scope and in no way an admission of the examiner's case.

Summary.

We reiterated the definition of utilities in this application to gas, electricity, water and communication data accounts. We have reproduced our definition at page 2 of our application: "Utility is defined such as gas, water, electricity or communication data that are essential to most modern home or premises." Also at page 4 under Summary "And in both cases they are merely book entries into the accounts with the utility providers such as gas, water, communication or electricity"

Morrill teaches mobile telephony system to function as an electronic wallet etc to enable payment facilitation using telco accounts (Col 4 ln 1-39) but NOT utilities accounts. There is no explanation as to how a mobile phone account could inherently be a gas, electricity, water or data communication accounts nor is it known in the art that there are significant characteristics or interconnectivity in the technology or process amongst them. For example, it is doubtful whether gas can travel via an electricity line. Further, mobile phone account uses air-time as a measurement (10 mins) while in electricity account, it use kWh as unit of measurement or in Data Account (Mega-Bytes downloaded). This means an article for sale or amount to be transferred could be quoted to measure say 300 MB or 400 kWh (as per Utility Units in our specification and claim 2). Morrill made no teaching that his invention could use air-time as a proxy for monetary unit nor could 10 mins show 10 kWh to one ordinary skilled in the art. An inherent disclosure, to be invalidating as an "anticipation," is a disclosure that is necessarily contained in the prior

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art, and would be so recognized by a person of ordinary skill in that art. Continental Can Co. USA, Inc. v. Monsanto Co., 948 F.2d 1264, 1268-69, 20 USPQ2d 1746, 1749-50 (Fed. Cir. 1991). "Inherency" charges the inventor with knowledge that would be known to the art, although not described. Inherency is not a matter of hindsight based on the applicant's disclosure: the missing claimed elements must necessarily be present in the prior art but may be inherently disclosed by prior art if "the prior art necessarily functions in accordance with the limitations" (King, 801 F.2d at 1326; see also Standard Havens Prods., Inc. v. Gencor Indus., Inc., 953 F.2d 1360, 1369 (Fed. Cir. 1991)) and be "practice without undue experimentation" (Advanced Display Sys., Inc. v. Kent State Univ., 212 F.3d 1272, 1282 (Fed. Cir. 2000)) by one skilled in the art.

We respectfully submit that the prior art would not necessarily work with an utility account given the incompatibility between the needs of a mobile phone account using air time as unit measurement for cost and one applying say kWh and even if this is possible (not probable), one skilled in the art would not be able to practice without undue experimentation.

Secondly, there is NO reason why Morrill would modify his mobile device to connect to the Internet to reach its service provider for initiating a payment when it already has a direct connection to its service provider by wireless means . Morrill only taught the sending of the receipt code generated from a completed purchase transaction by interfacing with a PC to another PC over the internet. (Col 12 at line 3 to line 9). This is however not the same as suggesting there is motivation to connect to the mobile service provider over the Internet given the payment transaction is already completed.

To show obviousness under 103(a), the examiner is required to articulate a motivation for Morrill to modify a mobile phone account to reach a gas account (for example) for

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payment or that a mobile phone account could inherently show a gas account as seen by one skilled in the art of payment.

The examiner did not articulate any motivation or even mentioned the difference between telco and other utilities accounts such as gas, electricity, water etc; which we submit could only suggest the examiner did not appreciate the differences... See *Coming Glass Works v. Sumitomo Elec. U.S.A., Inc.*, 868 F.2d 1251, 1255-57, 9 USPQ2d 1962, 1965-66 (Fed. Cir. 1989) ("To read the claim in light of the specification indiscriminately to cover all types of optical fibers would be divorced from reality.").

Similarly, Mousseau's invention is not even in the field of payment but teaches pushing data from a mobile device. Therefore the question is where is the motivation found in either prior arts for them to be so combine? In combining two prior arts or more, the motivation must be found to benefit both combined arts which in this case, a need for synchronization of wireless device for payment. There is nothing in Morrill to show a need for synchronizing data wherein the mobile device is for initiating/making payment. While it may be 'important' as per para 0007 of Moussaueu according to the examiner (at page 4 of Action Letter), neither Mousseau nor Morrill point out a need to combine synchronization with an initiating/payment wireless device. It is well known that Morrill's device is for initiating and executing a payment by giving wireless message instructions to a telco host where the latter in response issues a receipt upon completion of a payment instruction. So why is there a need for synchronization and even if there is a need what is being synchronized in Morrill and for what purpose? In Morrill, it has been taught that when making a payment (face-to-face) the confirmation could be done by sending the receipt to the payee by communicating with his mobile device. (Col 3 line 15-20)

There must be a showing of some "teaching, suggestion, or reason" to combine the references. *Gambro Lundia AB v. Baxter Healthcare Corp.*, 110 F.3d 1573, 1579, 42

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USPQ2d 1378, 1383 (Fed. Cir. 1997) (also noting that the "absence of such a suggestion to combine is dispositive in an obviousness determination"). Whether motivation to combine the references was shown we hold a question of fact. See *In re Dembiczak*, 175 F.3d 994, 1000, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999) ("[P]articular factual findings regarding the suggestion, teaching, or motivation to combine serve a number of important purposes . . .") (emphasis added); *Monarch Knitting*, 139 F.3d at 881-83, 886, 45 USPQ2d at 1982, 1985 (treating motivation to combine issue as part of the scope and content of the prior art and holding that genuine issues of fact existed as to whether one of ordinary skill in the art would have been motivated to combine the references in question). The examiner asserted that "Moussaieu et al teaches the importance of synchronization for wireless device communication (para 0007)" which is reproduced below;

"[0007] A general problem with these known synchronization systems is that the only time that the user data items are replicated between the host system and the mobile data communication device is when the user commands the mobile device to download or pull the user data from the host system. Five minutes later a new message could be sent to the user, but the user would not receive that message until the next time the user fetches the user data items. Thus, a user may fail to respond to an emergency update or message because the user only periodically synchronizes the system, such as once per day."

The question is whether Morrill's requires such a synchronization step and not whether it is important for wireless devices to have this step. As we said, Morrill's invention is for payment between telco accounts and the wireless devices are only tools for such purposes. The underlying fact is that there is no evidence to show that Morrill need to combine with a synchronization step and by stating 'importance' by itself could not be a motivation. *In re Chu*, 66 F.3d 292, 298, 36 USPQ2d 1089, 1094 (Fed. Cir. 1995) (stating that even when changes from the prior art are "minor" or "simple," an inquiry must be

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made as to whether “the prior art provides any teaching or suggestion to one of ordinary skill in the art to make the changes” (quoting Northern Telecom, Inc. v. Datapoint Corp., 908 F.2d 931, 935, 15 USPQ2d 1321, 1324 (Fed. Cir. 1990))). The examiner has therefore failed to inquire whether there is a need for downloadable step linked to a verification step in Morrill such that a motivation could be found to combine with Moussaen. If the nature of the problem is not found in Morrill then how could one skilled in the art be motivated even if Moussaen taught the said importance? And the fact that it is ‘important’ is only conclusory given that Morrill has no teaching or need in the first place. Further, despite the suggestion of importance, neither of these references includes any suggestion to combine its features with the features of the other reference.

As for Resnick which is aligned to payment system utilizing intermediary stored value account as a way to receive payments for prepaid services, ie backwards in that payments are received rather than as credit card in extending the credit. The said system includes anonymity features etc. (Resnick Col 1-2).

As mentioned none of these invention applies existing utilities accounts (by creating subsidiary accounts) for the purpose of transacting payments. Even if Resnick’s uses an intermediary account such an account does not fairly show one created from the user’s utility main account. In fact Fig 1 of Resnick clearly shows the intermediary account is outside of the wireless carrier platform. In short, Resnick uses an intermediary such as a merchant’s POS to receive the money and later credit this money under segregated accounts operated by the user to pay vendors of their choice. However, a merchant’s account even though an aggregated one is NOT obvious to our invention of using the utilities sub-accounts.

Our detail rebuttals are submitted as follows. Our amendment is in accordance to Appendix 1 which we respectfully ask the examiner to incorporate the changes.